

ASSEMBLY BILL

No. 36

Introduced by Assembly Member Solorio
(Coauthors: Assembly Members Harkey and Norby)
(Coauthor: Senator Correa)

July 1, 2011

An act to amend Sections 11001.5 and 11005 of the Revenue and Taxation Code, relating to taxation, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL’S DIGEST

AB 36, as introduced, Solorio. Vehicle license fees.

Existing law, as proposed to be amended by SB 89 of the 2011–12 Regular Session, would require that a specified amount of motor vehicle license fees deposited to the credit of the Motor Vehicle License Fee Account in the Transportation Tax Fund be allocated by the Controller, as specified, according to a specified order, with moneys allocated on or after July 1, 2004, but before July 1, 2011, first to the County of Orange, next to each city and county meeting specified criteria, and on or after July 1, 2011, to the Local Law Enforcement Services Account in the Local Revenue Fund 2011, for allocation to cities, counties, and cities and counties.

This bill would instead require for all of those times that a specified portion of those revenues be distributed first to the County of Orange. By authorizing within the Motor Vehicle License Fee Account in the Transportation Tax Fund, a continuously appropriated fund, to be used for a new purpose, the bill would make an appropriation. This bill would become operative only if SB 89 is chaptered, as provided.

The California Constitution authorizes the Governor to declare a fiscal emergency and to call the Legislature into special session for that purpose. Governor Schwarzenegger issued a proclamation declaring a fiscal emergency, and calling a special session for this purpose, on December 6, 2010. Governor Brown issued a proclamation on January 20, 2011, declaring and reaffirming that a fiscal emergency exists and stating that his proclamation supersedes the earlier proclamation for purposes of that constitutional provision.

This bill would state that it addresses the fiscal emergency declared and reaffirmed by the Governor by proclamation issued on January 20, 2011, pursuant to the California Constitution.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote: $\frac{2}{3}$. Appropriation: yes. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 11001.5 of the Revenue and Taxation
2 Code, as amended by Section 7 of Senate Bill 89 of the 2011–12
3 Regular Session, is amended to read:
4 11001.5. (a) (1) Notwithstanding Section 11001, and except
5 as provided in paragraph (2) and in subdivisions (b) and (d), 24.33
6 percent, and on and after July 1, 2004, 74.9 percent, of the moneys
7 collected by the department under this part shall be reported
8 monthly to the Controller, and at the same time, deposited in the
9 State Treasury to the credit of the Local Revenue Fund, as
10 established pursuant to Section 17600 of the Welfare and
11 Institutions Code. All other moneys collected by the department
12 under this part shall continue to be deposited to the credit of the
13 Motor Vehicle License Fee Account in the Transportation Tax
14 Fund and in accordance with the following:
15 (A) ~~Before July 1, 2011, first~~ *First* allocated to the County of
16 Orange as provided in subdivision ~~(b)~~ *(a)* of Section 11005 and as
17 necessary for the service of indebtedness as pledged by Sections
18 25350.6 and 53585.1 of the Government Code and in accordance
19 with written instructions provided by the Controller under Sections
20 25350.7, 25350.9, and 53585.1 of the Government Code, and the
21 balance shall be allocated to each city and city and county as
22 otherwise provided by law.

(B) On and after July 1, 2011, allocated pursuant to subdivision (a) (c) of Section 11005.

(2) For the period beginning on and after July 1, 2003, and ending on February 29, 2004, the Controller shall deposit an amount equal to 28.07 percent of the moneys collected by the department under this part in the State Treasury to the credit of the Local Revenue Fund. All other moneys collected by the department under this part shall continue to be deposited to the credit of the Motor Vehicle License Fee Account in the Transportation Tax Fund and allocated to each city, county, and city and county as otherwise provided by law.

(b) (1) Notwithstanding Section 11001, net funds collected as a result of procedures developed for greater compliance with vehicle license fee laws in order to increase the amount of vehicle license fee collections shall be reported monthly to the Controller, and at the same time, deposited in the State Treasury to the credit of the Vehicle License Collection Account of the Local Revenue Fund as established pursuant to Section 17600 of the Welfare and Institutions Code. All revenues in excess of fourteen million dollars (\$14,000,000) in the 2004–05 fiscal year and in any fiscal year thereafter shall be allocated to cities, counties, and cities and counties as follows:

(A) (i) Fifty percent shall be paid to the cities and cities and counties of this state in the proportion that the population of each city or city and county bears to the total population of all cities and cities and counties in this state, as determined by the population research unit of the Department of Finance. For purposes of this subparagraph, the population of each city or city and county is that population determined by the last federal decennial or special census, or a subsequent census validated by the population research unit or subsequent estimate prepared pursuant to Section 2107.2 of the Streets and Highways Code.

(ii) In the case of a city incorporated subsequent to the last federal census, or a subsequent census validated by the population research unit, the population research unit shall determine the population of the city. In the case of unincorporated territory annexed to a city subsequent to the last federal census, or a subsequent census validated by the population research unit, the population research unit shall determine the population of the annexed territory by the use of any federal decennial or special

1 census, or estimate prepared pursuant to Section 2107.2 of the
2 Streets and Highways Code. In the case of the consolidation of
3 one city with another subsequent to the last federal census, or a
4 subsequent census validated by the population research unit, the
5 population of the consolidated city, for the purpose of this
6 subparagraph, is the aggregate population of the respective cities
7 as determined by the last federal census, or a subsequent census
8 or estimate validated by the population research unit.

9 (B) Fifty percent shall be paid to the counties and cities and
10 counties in the proportion that the population of each county or
11 city and county bears to the total population of all counties and
12 cities and counties, as determined by the population research unit.
13 For purposes of this subparagraph, the population of each county
14 or city and county is that determined by the last federal census, or
15 subsequent census validated by the population research unit, or as
16 determined by Section 11005.6 of the Revenue and Taxation Code.

17 (2) The amendments made to this section by the act that added
18 this paragraph are operative upon the enactment of that act.
19 However, the amendments made by the act that added this
20 paragraph apply to revenues in the Vehicle License Collection
21 Account in excess of fourteen million dollars (\$14,000,000) in the
22 2004–05 fiscal year and any fiscal year thereafter.

23 (c) Notwithstanding Section 11001, 25.72 percent of the moneys
24 collected by the department on or after August 1, 1991, and before
25 August 1, 1992, under this part shall be reported monthly to the
26 Controller, and at the same time, deposited in the State Treasury
27 to the credit of the Local Revenue Fund, as established pursuant
28 to Section 17600 of the Welfare and Institutions Code. All other
29 moneys collected by the department under this part shall continue
30 to be deposited to the credit of the Motor Vehicle License Fee
31 Account in the Transportation Tax Fund and allocated to each city,
32 county, and city and county as otherwise provided by law.

33 (d) Notwithstanding any other ~~provision~~ of law, both of the
34 following apply:

35 (1) This section is operative for the period beginning on and
36 after March 1, 2004.

37 (2) It is the intent of the Legislature that the total amount
38 deposited by the Controller in the State Treasury to the credit of
39 the Local Revenue Fund for the 2003–04 fiscal year be equal to
40 the total amount that would have been deposited to the credit of

1 the Local Revenue Fund if paragraph (1) of subdivision (a) was
2 applied during that entire fiscal year. The department shall calculate
3 and notify the Controller of the adjustment amounts that are
4 required by this paragraph to be deposited in the State Treasury
5 to the credit of the Local Revenue Fund. The amounts deposited
6 in the State Treasury to the credit of the Local Revenue Fund
7 pursuant to this paragraph shall be deemed to have been deposited
8 during the 2003–04 fiscal year.

9 (e) This section does not amend nor is it intended to amend or
10 impair Section 25350 and following of, Section 53584 and
11 following of, the Government Code, or any other statute dealing
12 with the interception of funds.

13 SEC. 2. Section 11005 of the Revenue and Taxation Code, as
14 amended by Section 9 of Senate Bill 89 of the 2011–12 Regular
15 Session, is amended to read:

16 11005. After payment of refunds therefrom and after making
17 the deductions authorized by Section 11003 and reserving the
18 amount determined necessary by the Pooled Money Investment
19 Board to meet the transfers ordered or proposed to be ordered
20 pursuant to Section 16310 of the Government Code, the balance
21 of all motor vehicle license fees and any other money appropriated
22 by law for expenditure pursuant to this section, deposited to the
23 credit of the Motor Vehicle License Fee Account in the
24 Transportation Tax Fund, and remaining unexpended in that
25 account at the close of business on the last day of the calendar
26 month, shall be allocated by the Controller by the 10th day of the
27 following month in accordance with the following:

28 ~~(a) On and after July 1, 2011, to the Local Law Enforcement~~
29 ~~Services Account in the Local Revenue Fund 2011, as established~~
30 ~~by Section 30025 of the Government Code, for allocation to cities,~~
31 ~~counties, and cities and counties.~~

32 ~~(b) On or after July 1, 2004, but before July 1, 2011:~~

33 ~~(1)~~

34 (a) First, to the County of Orange. For the 2004–05 fiscal year,
35 that county shall be allocated fifty-four million dollars
36 (\$54,000,000) in monthly installments. For the 2005–06 fiscal year
37 and each fiscal year thereafter, that county shall receive, in monthly
38 installments, an amount equal to the amount allocated under this
39 section for the prior fiscal year, adjusted for the percentage change
40 in the amount of revenues credited to the Motor Vehicle License

1 Fee Account in the Transportation Tax Fund from the revenues
2 credited to that account in the prior fiscal year. Moneys allocated
3 to the County of Orange under this subdivision shall be used first
4 for the service of indebtedness as provided in paragraph (1) of
5 subdivision (a) of Section 11001.5. Any amounts in excess of the
6 amount required for this service of indebtedness may be used by
7 that county for any lawful purpose.

8 *(b) On and after July 1, 2004, but before July 1, 2011:*

9 ~~(2)~~

10 (1) Second, to each city, the population of which is determined
11 under Section 11005.3 on August 5, 2004, in an amount equal to
12 the additional amount of vehicle license fee revenue, including
13 offset transfers, that would be allocated to that city under Sections
14 11000 and 11005, as those sections read on January 1, 2004, as a
15 result of that city's population being determined under subdivision
16 (a) or (b) of Section 11005.3.

17 ~~(3)~~

18 (2) Third, to each city that was incorporated from an
19 unincorporated territory after August 5, 2004, in an amount equal
20 to the product of the following two amounts:

21 (A) The quotient derived from the following fraction:

22 (i) The numerator is the product of the following two amounts:

23 (I) Fifty dollars (\$50) per year.

24 (II) The fraction determined as the total amount of vehicle
25 license fee revenue collected during the most recent fiscal year
26 divided by the total amount of vehicle license fee revenue collected
27 during the 2004–05 fiscal year.

28 (ii) The denominator is the fraction determined as the actual
29 population, as defined in subdivision (e) of Section 11005.3, of
30 all cities during the most recent fiscal year, divided by the actual
31 population, as defined in subdivision (e) of Section 11005.3, of
32 all cities in the 2004–05 fiscal year.

33 (B) The city's population determined in accordance with Section
34 11005.3.

35 ~~(4)~~

36 (3) Fourth, to each city that was incorporated before August 5,
37 2004, in an amount equal to the product of the following two
38 amounts:

39 (A) The quotient derived from the following fraction:

40 (i) The numerator is the product of the following two amounts:

1 (I) Fifty dollars (\$50) per year.

2 (II) The fraction determined as the total amount of vehicle
3 license fee revenue collected during the most recent fiscal year
4 divided by the total amount of vehicle license fee revenue collected
5 during the 2004–05 fiscal year.

6 (ii) The denominator is the fraction determined as the actual
7 population, as defined in subdivision (e) of Section 11005.3, of
8 all cities during the most recent fiscal year, divided by the actual
9 population, as defined in subdivision (e) of Section 11005.3, of
10 all cities in the 2004–05 fiscal year.

11 (B) The actual population, as defined in subdivision (e) of
12 Section 11005.3, residing in areas annexed after August 5, 2004,
13 as of the date of annexation.

14 ~~(5)~~

15 (4) Fifth, to the cities and cities and counties of this state in the
16 proportion that the population of each city or city and county bears
17 to the total population of all cities and cities and counties in this
18 state, as determined by the Demographic Research Unit of the
19 Department of Finance. For the purpose of this subdivision, the
20 population of each city or city and county shall be determined in
21 accordance with Section 11005.3.

22 (c) *On or after July 1, 2011, to the Local Law Enforcement*
23 *Services Account in the Local Revenue Fund 2011, as established*
24 *by Section 30025 of the Government Code, for allocation to cities,*
25 *counties, and cities and counties.*

26 SEC. 3. This act addresses the fiscal emergency declared and
27 reaffirmed by the Governor by proclamation on January 20, 2011,
28 pursuant to subdivision (f) of Section 10 of Article IV of the
29 California Constitution.

30 SEC. 4. This act is an urgency statute necessary for the
31 immediate preservation of the public peace, health, or safety within
32 the meaning of Article IV of the Constitution and shall go into
33 immediate effect. The facts constituting the necessity are:

34 In order to not adversely affect the County of Orange due to the
35 enactment of Senate Bill 89, it is necessary for this act to take
36 effect immediately.

1 SEC. 5. This bill shall become operative only if Senate Bill 89
2 of the 2011–12 Regular Session is chaptered and amends Sections
3 11001.5 and 11005 of the Revenue and Taxation Code.

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